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TRADE AND DEVELOPMENT BOARD
Eighth executive session

SUMMARIES OF PROCEEDINGS OF THE UNITED NATIONS INTERNATIONAL SYMPOSIUM ON TRADE EFFICIENCY*

A. President's summary of issues discussed during the plenary meetings of the Ministerial Meeting

1. Truly global trade

1. Trade efficiency deserves priority attention from countries and from international organizations to allow the full benefits of the Uruguay Round to be generated and shared by all countries.

2. Information technology greatly enhances the possibilities for involving a greater part of the world population in international trade.

3. Developing countries and economies in transition have specific and immediate needs in this regard, especially regarding the creation of adequate infrastructures.

4. Many countries have started to take practical steps towards greater trade efficiency by establishing trade points.

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* At its closing plenary, on 21 October 1994, the United Nations International Symposium on Trade Efficiency took note of the summaries presented by the Chairperson of the Senior Officials Segment and the President of the Ministerial Segment and decided to transmit them to the Trade and Development Board and to request the Trade and Development Board to report thereon to the General Assembly.

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2. Technology and trade

5. It is clear that there is a direct link between the development of technology, particularly in the field of telecommunications, and economic development. The sooner countries recognize this, the greater the chance they will have of increasing the opportunities for economic growth and the development of trade.

6. Technology has begun to affect radically the very nature of trade, and change is going to continue at an ever-increasing rate.

7. Governments and private enterprises have an important role to play in ensuring that information highways are a truly global instrument at the service of trade and development.

8. The promotion of globally accepted norms and standards is essential for the optimal utilization of info-structures, including Trade Points. The work accomplished by the United Nations in this field, and in particular in respect of electronic data interchange, is extremely useful in this connection.

9. The rate of technological innovation gives rise to many problems for countries wishing to acquire information technologies. In particular, it must be asked how these countries can ensure that the systems in which they invest will remain competitive and compatible with the systems and hardware of the future. This is an issue to be considered and analyzed by UNCTAD and all parties concerned.

10. The question of the access of developing countries to technologies remains. Its financial and legal aspects in particular also deserve further consideration in the trade efficiency context. The concept of infrastructure funds for Africa deserves attention. Similar funding concepts could be examined to help create global information infrastructure (GII) poles throughout the world, including the least developed countries and the remotest regions.

11. Note should also be taken of the proposal of Bangladesh that this meeting send a message to the participants of the meeting which the Group of 7 will hold next February on telecommunications, drawing the attention of the most developed countries to the importance of the trade and development dimension in the current discussion on global information infrastructures.

3. Role of Governments

12. The experience of countries with regard to governmental intervention in trade is very diverse and there is no rule applicable to all countries in this regard.

13. Although there is a general trend towards greater reliance on market forces in all regions of the world, it is clear that Governments retain a responsibility for provicing traders with stable macro-economic conditions, with training, and when necessary with the appropriate fiscal incentives to attract investment to key trade-supporting services and infrastructures.

14. Small, medium and micro-enterprises have a vital role to play in employment creation and wealth creation. Specific governmental actions can help such enterprises to receive the training and technologies they need to access international markets.

15. As national economies become more open, Governments have an important role to play in stimulating trade efficiency at the local, national and regional levels.

16. Globalization and regionalization pose new challenges to Governments. So does the rapidity of technological change. It is therefore important that adequate support be given to those who run an important risk of marginalisation. This is particularly true of the least developed countries. Specific training programmes and programmes for smaller entrepreneurs are particularly relevant and should be considered in the context of trade points.

4. Trade efficiency and development

17. Trade efficiency can be a valuable tool to access international markets and to allow developing countries to regain their share of international trade flows. For this, exchanges of experiences among developing countries will be essential.

18. Trade efficiency is a priority area for technical assistance programmes. Technical assistance will be essential to ensure the success of local trade-efficiency initiatives.

19. Trade points are essential tools for the actual implementation of trade efficiency measures. Co-operation with the private sector remains the central condition for the success of Trade points.

20. It is underlined that no single trade-efficiency recipe can be offered to all types of countries. It is also stressed that Trade points require a central mechanism of management and that UNCTAD is the natural place for this.

21. Note is taken with interest of the proposal that information highways should not obscure the importance of building development highways. Note is also taken of the important proposal that UNCTAD could offer a trade-efficiency review mechanism akin to that of GATT/WTO.

B. Chairman's summary of the work of the sectoral sessions on policy issues and possible actions for further consideration

1. Business information for trade

(a) Priorities for action

22. ITC should assist developing countries and economies in transition, and in particular the least developed countries, in reviewing their business information needs and in improving the availability, access, dissemination, networking and use of business information for trade development. Special attention should be given to the needs of small and medium-sized enterprises and to information needs related to new quality, safety and environmental requirements after the Uruguay Round. Training efforts should be stepped up on how to use business information more effectively. Technical cooperation should support the collecting and dissemination of information on South-South trade potential and business opportunities, and contribute to translating such information into successful South-South business partnerships.

23. ITC should continue to cooperate closely with UNCTAD in support of the Special Programme on Trade Efficiency. More specifically, technical assistance required in business information and related human resource development by Trade Points in developing countries and economies in transition should be provided by ITC.

(b) Policy issues for further consideration

24. Governments and business-sector institutions in developing countries and economies in transition need to increase their commitment to giving business

information its proper place in trade development. In numerous countries, this process needs to be underpinned by technical cooperation support, for which sufficient resources should be made available. ITC should be reinforced to cope with this important task.

25. The division of labour among the various institutions providing trade-related technical assistance, including UNCTAD, GATT/WTO and ITC, should be reviewed with the objective of fully utilizing existing strengths, increasing the combined impact and avoiding unnecessary overlap.

2. Transport

(a) Priorities for action

26. An efficient transport system, which is a vital part of international trade in goods, requires pertinent, reliable and real-time data on goods transported along different modes and at interfaces. Recent technological developments enable transport operators to install low-cost but highly reliable physical tracking systems producing operational data on the whereabouts of goods and rolling stock along major transport routes.

27. The priority would be to implement such information systems on major transport routes, thereby interconnecting transport operators and ancillaries across modes, interfaces and frontiers. This would gradually foster integrated logistics for transport chains in developing countries, with the added advantage of offering a standard package compatible with existing systems elsewhere and using UN-EDIFACT. In this respect, UNCTAD should continue to disseminate its transport information technology system, and donors should be requested to consider funding such activities in those countries which require modern technologies to improve their transport systems.

(b) Policy Issues

28. In many instances today, developing countries wishing to increase their share in world trade have to modernize their transport systems. This process can be quickened by assisting developing countries to "leap-frog" the various stages of modernization through facilitating the introduction of powerful management tools and of the most advanced or appropriate techniques currently available.

29. To do this, UNCTAD should analyze why the most sophisticated technologies were called on and how these were adapted to suit different environments. UNCTAD can provide the forum for discussion and analysis between advanced transport operators and those desiring to catch up and for appropriate follow-up thereto.

3. Banking and insurance

(a) Priorities for action

30. There is a need to implement practical solutions for providing competitive financial services to those traders who have traditionally had limited access to modern financing, payment and risk-management alternatives. Special attention should be paid to regional initiatives, as well as to the development of specialized mechanisms aimed at small and micro-enterprises.

(b) Policy issues for further consideration

31. It is recommended that, in the context of the Trade Efficiency Programme, UNCTAD pursue its substantive work on the promotion of network-based solutions, which offer the greatest opportunity to bring modern financing, payment and risk-management products and mechanisms to developing countries and economies in transition.

32. UNCTAD should also pursue its research and evaluation work on trade financing for small and micro-enterprises.

4. Telecommunications

33. Considering that information flows will continue to affect the nature, modalities and composition of international trade, it is recommended that UNCTAD expand its substantive work on the relationship between the emerging global information highways and global information infrastructures on the one hand, and trade efficiency and development on the other hand.

5. Business practices

(a) Priorities for action

34. Considering that the exemplary cooperation between the ECE Working Party on Facilitation of International Trade Procedures and the UNCTAD Special Programme on Trade Efficiency has led to a profitable synergy of actions in the

promotion of measures for the facilitation of international trade, in particular for countries which are not members of the ECE and for countries in transition in the ECE region, it is recommended that such cooperation be continued and reinforced. Special importance should be given to the adoption of recommendation No. 4 of the Working Party to establish national focal points on trade facilitation.

35. Recognizing that EDI based on the standard UN/EDIFACT can substantially enhance the exchange of information between all parties involved in international trade, and that Trade Point users should be in a position to utilize available information technology, it is recommended that, whenever the technical infrastructure warrants it, EDI training programmes be made available through the Trade Points.

36. Considering that national laws and regulations and international legal instruments define the frameworks in which international trade occurs, and that official recognition of electronic messages is essential to trade facilitation, it is recommended that Governments support the development of national and international legal frameworks which recognize the validity and acceptance of such messages.

(b) Policy issues

37. Considering the beneficial effect of close cooperation between ECE, ITC and UNCTAD based on the existing inter-secretariat task force, the secretariats of the three aforementioned bodies are invited to consider the formalization of future work in the form of an agreed programme of cooperation between the institutions concerned in order to secure full coherence.

38. Considering the importance of the application of relevant standards in the Trade Point Network, a joint ECE/UNCTAD ad hoc group should be set up to decide jointly on operational standards and norms for inter-operability between Trade Points.